



## FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

### THIRD-PARTY DEBT RELIEF COMPANIES

On March 30, 2016, the USDE published an [Electronic Announcement](#): Third-party debt relief companies' use of institutional names, logos and other trademarks. This announcement provides information regarding action taken against two debt-relief companies for using the USDE's Official Seal without authorization. In addition, these companies charged large up-front fees for federal student aid services that the USDE and its servicers offer for free. These companies use sophisticated strategies to target borrowers and use the USDE logo or other identifying information without permission to give the impression they are affiliated with the government or a particular institution. Institutions are being asked to help ensure borrowers understand services are provided for free by doing the following.

- Provide warnings to students, including on institutional websites, about so-called debt relief companies.
- Provide information to students indicating that they do not need to pay for loan benefits for Federal student loans.
- Review institutional websites to ensure that they provide the most up-to-date information about the terms and

conditions of federal student loans and the servicing of those loans.

Links to a number of resources that will help reinforce this message to borrowers are available in the announcement.

### VERIFICATION

A [Federal Register Notice](#) was issued by the USDE April 1, 2016: 2017-2018 Award Year Information to be Verified. This notice provides FAFSA information that may need verification by an institution and an applicant. The acceptable documentation for verifying FAFSA information is also outlined in the notice for the 2017-2018 award year.

Dear Colleague Letter [GEN-16-07](#) was published by the USDE April 5, 2016: 2017-2018 Award Year FAFSA Information to be Verified and Acceptable Documentation. The information in this DCL supplements the 2017-2018 award year verification information provided in the Federal Register Notice above. There are changes to the Verification Tracking Groups for the 2017-2018 award year that are explained in the DCL.



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### DIRECT LOAN PROGRAM

The USDE issued a [Federal Register Notice](#) April 1, 2016: Comment Request: William D. Ford Federal Direct Loan Program Regulations. The USDE is proposing to revise an existing information collection that relates to the administrative requirements of the Direct Loan Program. Comments are due on or before May 31, 2016.

### REPAYMENT PLANS

On April 4, 2016, the USDE issued a [Federal Register Notice](#): Annual Updates to the Income Contingent Repayment Plan Formula for 2016 – Federal Direct Loan Program. The income percentage factors for the ICR plan formula have been updated for the period effective from July 1, 2016, to June 30, 2017. Any borrower who enters the ICR plan or has his or her monthly payment amount recalculated under the ICR plan during that period will be subject to the adjusted formula.

An [Electronic Announcement](#) was published by the USDE April 29, 2016: Repayment Information Tool Added to StudentLoans.gov Website. There is a new web-based tool available that will help borrowers determine the best repayment option for them in five steps or less. Information is also provided on the next

steps the borrower should take. To access the new tool borrowers should select the “Find out your student loan repayment options here” link on the StudentLoans.gov Website’s home page. You can also link directly at [StudentLoans.gov/Repay](#). This is an interactive, information-only tool with no operational impact for schools.

### FSA DEADLINES

A [Federal Register Notice](#) was issued by the USDE April 4, 2016: Deadline Dates for Reports and Other Records Associated With the FAFSA, the Federal Student Aid Grant Programs and the Federal Direct Loan Program for the 2016-2017 Award Year. Deadline dates for the 2016-2017 Award Year are provided for reports and other records associated with the FAFSA, Federal Pell Grant Program, Direct Loan Program, TEACH Grant Program and Iraq and Afghanistan Service Grant Program. Tables A and B attached to this Federal Register Notice outline required submittals with dates due.

### FFEL SPECIAL ALLOWANCE RATES

The USDE published a [SAP Memo](#) April 5, 2016: Federal Family Education Loan Program Special Allowance Rates for the Quarter Ending March 31, 2016. Attachments to the memo contain the



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quarterly special allowance rates computed for the quarter ending March 31, 2016. The bond equivalent rates of the 91-day Treasury Bills auctioned during the quarter are also provided. The average rates are below.

- Commercial Paper Rate .56 percent
- LIBOR Rate .44 percent
- Treasury Bill Rate .30 percent

### PROGRAM INTEGRITY

On April 7, 2016, the USDE issued a [Federal Register Notice](#): Program Integrity and Improvement Regulations; Announcement of early implementation date. The USDE has established an early implementation date of April 7, 2016, for certain regulations that were published in the Federal Register Oct. 30, 2015. The changes designated for early implementation involve:

- §668.2(b) Retaking Coursework
- §668.163(a)(1) Depository Account
- §668.163(c) Interest-bearing Depository Account

Another [Federal Register Notice](#) was issued by the USDE April 7, 2016: Program Integrity and Improvement Regulations; Corrections. Several errors to the final regulations that are being corrected are

outlined in this notice. The effective date of these changes is July 1, 2016.

The USDE published an [Electronic Announcement](#) April 25, 2016: Clock Credit Hour Updates. The Credit Hour portion of the Program Integrity Website was recently updated. To view updates go to the [Program Integrity Website](#) and look for bolded revised dates on the questions and answers under applicable topics that have been modified.

### HEAL PROGRAM

An [Electronic Announcement](#) was published by the USDE April 8, 2016: HEAL Program Information - Maximum HEAL Program Interest Rates for Quarter Ending June 30, 2016. The “Current Maximum Interest Rates” section of the [HEAL Interest Rates](#) page of the [HEAL Program Area](#) on the IFAP Website has been updated with the maximum HEAL Program interest rates for the quarter ending June 30, 2016.

### AWARD NOTIFICATIONS

The USDE published an [Electronic Announcement](#) April 12, 2016: Letter from Undersecretary Ted Mitchell to Institutional Presidents. The attached letter was sent on behalf of Secretary of Education John King. The letter generally expresses appreciation



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of institution staff and all they do to help students. In addition, several recent statutory and regulatory changes are highlighted, to include the new FAFSA changes for this year. Students and families will be able to access the 2017-2018 FAFSA beginning Oct. 1, 2016 and will be able to use 2015 tax return information when completing it. The USDE believes these changes will have a meaningful impact on college choice, access and persistence for many students. To maximize the benefits of the President's Early FAFSA Initiative, institutions are being asked to consider providing earlier award notifications to students and families.

### REFERENCE GUIDES

On April 14, 2016, the USDE published an [Electronic Announcement](#): 2016-2017 ISIR Guide (April 2016 Update). The updated 2016-2017 ISIR Guide has been posted to the [Information for Financial Aid Professionals Website](#) and is available for download from the Federal Student Aid Download website at <https://fsadownload.ed.gov>. This guide is used by financial aid administrators to interpret student information on the Institutional Student Information Record.

### G5 ACCESS

An [Electronic Announcement](#) was published by the USDE April 19, 2016: Reminder – Department of Education to Implement Two Factor Authentication for G5 Access. This announcement reminds G5 users that the USDE is implementing changes to G5 to support use of Two Factor Authentication. Implementation started in mid-April and will end in June 2016, with changes being rolled out to G5 users in groups. Information is provided in the announcement and on the [G5 Website](#) about how the process will work.

### TPD DISCHARGE APPLICATION

The USDE issued a [Federal Register Notice](#) April 20, 2016: Comment Request; Application for Total and Permanent Disability Discharge; Direct Loan, FFEL, Perkins and TEACH Grant. The USDE is proposing revisions to an existing information collection. Comments are due on or before June 20, 2016.

### CAMPUS-BASED PROGRAMS

On April 22, 2016, the USDE published an [Electronic Announcement](#): 2014-2015 Federal Perkins Loan Service Cancellation Reimbursement. The USDE will generally reimburse schools for all or part of the



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principal and interest of a Federal Perkins Loan that is canceled for eligible service performed by the borrower. This reimbursement is dependent on Congress allocating funds for the program in that award year. While the [Consolidated Appropriations Act, 2016](#) (Public Law 114-113) allocated funds for Fiscal Year 2016 for the Campus-Based programs, no funds were allocated for the 2014-2015 Federal Perkins Loan service cancellation reimbursements. Therefore, no reimbursement payments will be issued this year. Schools must still offer and apply applicable cancellations to borrowers, even though Federal Perkins Loan service cancellations are not funded. Important information and instructions for schools are outlined in this announcement.

### TRAINING

Dear Colleague Letter [ANN-16-07](#) was published by the USDE April 22, 2016: Online Training Modules – FSA Quick Takes. A new series of brief online recordings from Federal Student Aid is now available on the Federal Student Aid E-Training website located at <http://fsatraining.info>. Instructions for accessing the training are provided in the DCL. Financial aid administrators can view sessions of about 15 minutes each on

trending financial aid topics. In-demand topics of current interest include:

- Finding FSA Training
- Conflicting Information
- Paper Secondary Confirmation Part I and II
- Professional Judgment

Dear Colleague Letter [ANN-16-08](#) was published by the USDE April 29, 2016: Webinar Recording – Software Developers March 2016 Webinar. The webinar provided operational updates on Federal Student Aid systems including, the Common Origination and Disbursement System, the Central Processing System, the National Student Loan Data System and EDExpress for Windows software. No registration is required to view this recorded training session. To access the webinar, along with presentation slides and transcript, paste the following link into your web browser and click enter.

<https://ifap.ed.gov/ifap/ifapMedia.jsp#SoftwareDeveloperWebinarMarch312016>

### FEDERAL SCHOOL CODE LIST

An [Electronic Announcement](#) was published by the USDE April 29, 2016: 2016-2017 Federal School Code List of Participating Schools (May 2016). The [Federal School Code List](#) includes schools participating in



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the Title IV federal student aid programs and the unique codes assigned to them by the U. S. Department of Education. These codes are used by students to indicate which postsecondary schools will receive the processed application results from their Free Application for Federal Student Aid.

Instructions are given in the announcement for updating your school's FSC information.

## **TECHNICAL**

The USDE published an [Electronic Announcement](#) April 29, 2016: Availability of EDExpress for Windows 2016-2017, Release 2.0. Upgrades provided in the EDExpress for Windows 2016-2017, Release 2.0, add full functionality for the 2016-2017 award cycle for the Federal Pell Grant, Direct Loan and TEACH Grant. The new version is available for download at <https://fsadownload.ed.gov>.